

## Bonding Requirements for MARAD Ship Disposal Contracts

For Contractors that MARAD has had no previous ship disposal experience, a performance bond of \$500,000 per ship will be required. For those contractors with previous ship disposal experience with MARAD and for those contracts whose value is less than \$1,000,000, a performance bond of \$150,000 will be required. For those contractors with previous ship disposal with MARAD and for those contracts whose value is \$1,000,000 or greater, a performance bond of \$250,000 will be required.

Normally, a payment bond will not be required however, should MARAD deem it necessary to ensure payment to Contractor's subcontractors and suppliers are made. When requested, the sum of the payment bond shall equal the sum of the performance bond.